

Africapitalism

Africa is on the rise. Enabled by natural resources, commodity trading and the recent discovery by the global market that Africa is the last frontier of capitalism, African entrepreneurs are now being empowered as economic change agents. How can this new economic elite engage in the sustainable development of the continent? 'Africapitalism', the term coined by Nigerian entrepreneur Tony O. Elumelu, describes an economic philosophy embodying the private sector's commitment to the economic transformation of Africa through investments generating economic prosperity and social wealth. The concept has attracted significant attention in both business and policy circles. Promoting a positive change in approach and outlook towards development in Africa, this book consolidates research and insights into the Africapitalism movement, and will appeal to scholars, researchers and graduate students of African studies, international business, business and society, corporate social responsibility, strategic management, economic thought, international political economy, leadership, and development studies.

PROFESSOR KENNETH AMAESHI is chair in Business and Sustainable Development and director of the Sustainable Business Initiative at the University of Edinburgh Business School. Amaeshi's research focuses on sector-level policies for sustainability and sustainability strategy in organisations. He has an expert-level knowledge of developing and emerging economies.

DR ADUN OKUPE is the Africapitalism Research Fellow (post-doctorate) at the Sustainable Business Initiative of the University of Edinburgh. Her research interests are in the role of leadership as an instrument for societal change.

DR UWAFIOKUN IDEMUDIA is an associate professor in the Department of Social Science at York University, Toronto. Idemudia's research interests are in the area of critical development studies, business and development, and natural resource extraction and conflict in Africa.

Cambridge University Press
978-1-107-16070-5 — Africapitalism
Edited by Kenneth Amaeshi , Adun Okupe , Uwafiokun Idemudia
Frontmatter
[More Information](#)

Africapitalism

Rethinking the Role of Business in Africa

Edited by

KENNETH AMAESHI

University of Edinburgh

ADUN OKUPE

University of Edinburgh

UWAFIOKUN IDEMUDIA

York University, Toronto



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press
978-1-107-16070-5 — Africapitalism
Edited by Kenneth Amaeshi, Adun Okupe, Uwafiokun Idemudia
Frontmatter
[More Information](#)

CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India
79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781107160705

DOI: 10.1017/9781316675922

© Cambridge University Press 2018

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2018

Printed in the United Kingdom by Clays, St Ives plc

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Names: Amaeshi, Kenneth, editor. | Okupe, Adun, editor. | Idemudia, Uwafiokun, editor.

Title: Africapitalism: rethinking the role of business in Africa / edited by Kenneth Amaeshi, Adun Okupe, Uwafiokun Idemudia.

Description: New York : Cambridge University Press, 2018.

Identifiers: LCCN 2017052803 | ISBN 9781107160705

Subjects: LCSH: Capitalism – Africa. | Capitalists and financiers – Africa. | Africa – Economic conditions – 21st century. | Africa – Economic policy. | Social responsibility of business – Africa.

Classification: LCC HC800.Z9 C323 2018 | DDC 338.96–dc23

LC record available at <https://lccn.loc.gov/2017052803>

ISBN 978-1-107-16070-5 Hardback

ISBN 978-1-316-61370-2 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Contents

List of Figures	<i>page</i> vii
List of Tables	viii
List of Contributors	ix
Foreword	xiii
TONY O. ELUMELU CON	
1 Introduction	1
UWAFIOKUN IDEMUDIA, KENNETH AMAESHI AND ADUN OKUPE	
2 Africapitalism: A Management Idea for Business in Africa?	19
KENNETH AMAESHI AND UWAFIOKUN IDEMUDIA	
3 Business Elites to the Rescue! Reframing Capitalism and Constructing an Expert Identity: Implications for Africapitalism	42
GEORGE FERNS, ADUN OKUPE AND KENNETH AMAESHI	
4 Africapitalism and Corporate Governance	71
EMMANUEL ADEGBITE, FRANKLIN NAKPODIA, KONAN ANDERSON SENY KAN AND OLORUNFEMI ONAKOYA	
5 Rethinking Human Capital Development in Africa: Towards an Africapitalism Perspective	99
AMINU MAMMAN, KEN KAMOCHE AND HAMZA B. ZAKARIA	

vi CONTENTS

6	Africapitalism and Corporate Branding OLUTAYO OTUBANJO	137
7	Who Is an Africapitalist? Reimagining Private-Sector Leadership in Africa ADUN OKUPE AND KENNETH AMAESHI	167
8	Social Entrepreneurship and Africapitalism: Exploring the Connections DIANE HOLT AND DAVID LITTLEWOOD	195
9	Foreign Investors and Africapitalism: The Case for Chinese Foreign Direct Investment in Africa AMON CHIZEMA AND NCEKU NYATHI	215
10	Good African Coffee: Adding Value and Driving Community Development in Uganda LYAL WHITE AND ADRIAN KITIMBO	240
11	Reflections on Africapitalism and Management Education in Africa STELLA M. NKOMO	261
	Index	282

Figures

1.1	Capitalism in Africa versus Africapitalism	<i>page</i> 10
6.1	Access Bank's environmental protection campaign	150
6.2	Sustainability campaign	152
6.3	Andela website highlighting what it does	154
6.4	The Africapitalism brand development framework	156
10.1	Top Three Coffee Producers in Africa (2015)	243
11.1	Aspirations of Agenda 2063	269
11.2	Tripartite Context for Management Education in Africa	269

Tables

3.1	Summary of the framing, call to action and expert identity construction for each of the philosophies	<i>page 54</i>
4.1	Africapitalism solutions to corporate governance problems in Africa	90
5.1	Framework of cardinal values and implications for human capital development	122
6.1	Summary of CSR branding models	144
6.2	Summary of the pillars of Africapitalism	148
6.3	Summary of concepts emerging from the discussions	155
7.1	Summary of the key characteristics of transformational and responsible leadership	184
9.1	Growth stages of Chinese companies in Africa	222

Contributors

Emmanuel Adegbite is Professor of Accounting, Governance and Responsibility at De Montfort University, UK. He previously held senior academic positions at the University of Birmingham and at Durham University. His widely cited research has been published in leading academic outlets and has attracted generous funding as well as prestigious awards.

Kenneth Amaeshi is Professor of Business & Sustainable Development, and Director of the Sustainable Business Initiative, at the University of Edinburgh Business School, UK. His research focuses on entrepreneurship and business model innovation for sustainable development. His other interests include sustainability, corporate responsibility, ethics and governance. He is widely published.

Amon Chizema is Professor of Corporate Governance and Strategy at the University of Birmingham, UK. His research focuses on the intersection of corporate governance and leadership issues. He is an associate editor of *Africa Journal of Management* and an editorial member of *Journal of Management Studies and Corporate Governance: An International Review*.

George Ferns is Lecturer in Management, Employment and Organisation at Edinburgh University. His research broadly concerns how organisations engage with social and environmental issues, focusing on topics such as corporate social responsibility, corporate responses to climate change, and environmental activism.

X LIST OF CONTRIBUTORS

Diane Holt is Professor of Management at Essex Business School, University of Essex. She has extensive research experience in Africa including running the Trickle Out Africa Project that looks at the role of social and environmental enterprises in poverty alleviation and sustainable development across 19 African nations.

Uwafiokun Idemudia is Associate Professor of Development Studies and African Studies at York University, Toronto, Canada. His research focuses on business, natural resources, conflict, and development. He has published widely in international journals including but not limited to, *Organization and Environment*, *Business Strategy and the Environment*, and *Accounting, Auditing and Accountability*.

Ken Kamoche is Professor of Human Resource Management and Organisation Studies at the University of Nottingham where he also serves as Director of the Africa Research Group. He has written extensively on human resources, jazz improvisation, knowledge management and African management issues. His current focus is Africa–China relations.

Konan Anderson Seny Kan is a Senior Lecturer at Otago Business School (New Zealand). He is interested in the configural analysis of management practices. He has published in journals such as *African Management Studies*, *Journal of Business Ethics*, *Journal of Business Research*, *Society and Business Review* and *Harvard Business Review* (professional). He serves as an Editorial Review Board member of the *Journal of Business Research* and is a co-guest editor for special issues in *European Management Journal* and *Management International*. He also serves as a Vice-chair of COMPASSS.

Adrian Kitimbo is a research associate at the Gordon Institute of Business Science (GIBS), University of Pretoria. Previously, he was the Machel Mandela Fellow at the Brenthurst Foundation. His research interests cut across a number of areas, including international business, African politics and international migration.

David Littlewood is Lecturer in Strategic Management at University of Sheffield Management School, UK. His research interests lie in the business and society domain, and relate more specifically to corporate social responsibility (CSR); sustainability, green business and environmental entrepreneurship; organisation stakeholder relationships; social entrepreneurship and innovation; and the informal economy.

Aminu Mamman is a reader at the Global Development Institute, University of Manchester, United Kingdom. His research interests focus on human capital development in Africa and the management of organisations in development contexts. His recent books include *Development Management: Theory and Practice* (co-edited 2017); *SMEs and Poverty Reduction: Strategic Management Perspective*.

Franklin Nakpodia is Lecturer in Accounting at Newcastle Business School, Northumbria University, UK. He has PhD in Accounting from Northumbria University. He has published articles in *Journal of Business Ethics*, *Accounting Forum*, *Business & Society*, among others. He has research interests in corporate governance and corporate social responsibility.

Stella M. Nkomo is a professor in the Department of Human Resource Management at the University of Pretoria, South Africa. Her research focuses on race, gender, diversity, leadership and management in Africa. She is an associate editor of the *British Journal of Management* and is currently the president of the *Africa Academy of Management*.

Nceku Nyathi is a senior lecturer at the Graduate School of Business, University of Cape Town, South Africa. He is an associate editor of *Equality, Diversity and Inclusion: An International Journal*. His research explores the development of individuals, groups, organisations, and nations and the modernising of Africa through management and leadership.

xii LIST OF CONTRIBUTORS

Adun Okupe is an independent researcher and practitioner with interests in leadership and tourism development for societal change. Her research focuses on leaders as instruments of societal change. Adun was the Africapitalism Research Fellow at the University of Edinburgh, a project that explored the role of business leaders in Africa's development.

Olorunfemi A. Onakoya is currently a doctoral candidate at Covenant University, Nigeria. He previously practised and held different management positions in the industry spanning risk management, business advisory consulting and banking. He also holds directorship positions in consulting and education firms. His research interests are in the fields of corporate governance and business ethics.

Olutayo Otubanjo is Senior Lecturer at Lagos Business School. He holds a PhD in Marketing with emphasis on corporate identity. He attended the University of Hull, UK and Brunel University, London. He has published in *Academy of Marketing Science Review*, *Management Decisions*, *Marketing Review*, *Journal of Product and Brand Management*, *Corporate Reputation Review*, etc.

Lyal White is the founding senior director of the Johannesburg Business School at the University of Johannesburg, South Africa. He is an associate professor in International Business, previously at the Gordon Institute of Business Science, University of Pretoria. White's work focuses on comparative political economy and international business, specifically in Africa and Latin America.

Hamza Bukari Zakaria is a PFM Specialist at the Swiss State Secretariat for Economic Affairs in Ghana. He taught at the Ghana Institute of Management and Public Administration, and has published in peer-reviewed journals. His research focuses on public management, performance management, local governance and capacity development in Africa.

Foreword

For decades, Africans and non-Africans alike have hypothesised about Africa's potential, designing a variety of routes and road maps to reach the desired destination of opportunity and prosperity for *all* Africans fostered by inclusive and sustainable systems. My response to this evergreen subject of realising Africa's rise is the economic philosophy of Africapitalism, which outlines a new approach to capitalism and private-sector responsibility on the continent.

The concept of Africapitalism is defined as the private sector's commitment to African development through long-term investments in strategic sectors of the economy that create both economic prosperity and social wealth. Africapitalism focuses on private-sector growth as the primary driver of Africa's development, and at its heart calls for a new kind of capitalism: one that focuses on long-term investment in key sectors to spark the growth of African-owned businesses, stimulate the creation of jobs and create, in a sustainable form, both economic and social good. Essentially, Africapitalism embodies a private-sector-led approach to solving some of Africa's most intractable development problems.

How practical is Africapitalism? Africa offers compelling economic and business opportunities that can, at the same time, meet a range of social objectives. In fact, Africa's burgeoning private sector and its growing domestic industries have already delivered significant returns to investors and entrepreneurs, while also addressing many of Africa's persistent structural challenges. Consider for example my own experience building what is now one of the largest banks in Africa – United Bank for Africa (UBA) with more than 14 million customers, nearly 25,000 employees and operations in nineteen African countries, the United States, the United Kingdom and France.

xiv FOREWORD

The story of today's UBA is one I often share. In 1997, a group of investors and I took over a shuttered bank, and rapidly built the bank into one of Nigeria's largest by reaching out to the over 90 per cent of the Nigerian population (at the time 110 million people) who did not have bank accounts and were excluded from the financial services sector. In the process of democratising Nigerian – and later African – banking, we built Standard Trust Bank, and subsequently, the United Bank for Africa, into a pan-African financial services institution that not only created substantial value for the shareholders, but also created social wealth for a broader set of previously unbanked and under-banked stakeholders. Not only were we doing well and earning substantial returns for our investors, we were also doing good by enabling broader inclusivity in the financial services sector, solving people's problems, easing access to finance for small businesses and improving their productivity and eliminating persistent inefficiencies in what had been a very undemocratic banking sector. We accomplished all this in addition to effectively meeting the increasing demand for trade finance and cross-border finance as intraregional investment and commerce strengthened.

Upon retiring from the bank in 2010, I sought to do the same thing for other sectors in Africa. I established Heirs Holdings as a proprietary investment company that would invest in sectors and businesses that created both economic prosperity and social wealth in line with Africapitalism. Today, we invest in strategic sectors of the African economy – agriculture, financial services, real estate, energy, oil and gas, health care and hospitality – creating the jobs, opportunity and wealth necessary to transform Africa for good.

Africapitalism is coming to life all over Africa and beyond as business leaders, government leaders and entrepreneurs respond to its call to action. Africans must take primary responsibility for Africa's development, and non-Africans must now evolve their thinking about the best ways to channel their investments on the continent and shake up the old aid-based approach. The case study of Andrew Rugasira, a young Ugandan entrepreneur who defied all odds to build

Good African Coffee, which has now become the first company to sell an African-owned coffee brand directly to the United Kingdom retailers, is inspiring and demonstrates Africapitalism in action.

Good African Coffee has enjoyed significant profits, all the while placing community development at the centre of its strategy – proof that economic and social wealth need not compete but can coexist. The story affirms Africapitalism’s trust in the power of private capital to transform society and strengthens my own resolve to support as many entrepreneurs as I can across the continent. My foundation, the Tony Elumelu Foundation, continues to empower thousands of African entrepreneurs whose business ideas – from all fifty-four countries on the continent – have the potential to transform Africa.

Overall, I commend all those who contributed to the production of this book, which I am confident will go a long way in provoking critical thought and changing mindsets as far as Africa’s development is concerned. *Africapitalism: Rethinking the Role of Business in Africa* and the contributions of soon-to-come publications on Africapitalism will ensure that Africa will continue progressing towards the prosperity and stability that it yearns for, and so richly deserves.

Tony O. Elumelu CON

Cambridge University Press
978-1-107-16070-5 — Africapitalism
Edited by Kenneth Amaeshi , Adun Okupe , Uwafiokun Idemudia
Frontmatter
[More Information](#)
